
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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COMMISSION REVISES ACCOUNTING REQUIREMENTS, CREATING GREATER FINANCIAL TRANSPARENCY

The Federal Energy Regulatory Commission today revised its accounting regulations to establish more transparent, complete and consistent accounting and reporting of liabilities associated with the retirement of tangible long-lived assets.

Currently, the Commission's existing regulations do not provide specific direction for the recording of liabilities and related costs for asset retirement obligations. Today's rule, which applies to public utilities, licensees, natural gas companies, and oil pipeline companies, provides for the recognition of asset retirement obligations. An asset retirement obligation is a liability resulting from a legal obligation to retire or decommission a plant asset.

The rule adds new balance sheet and income statement accounts to the Uniform Systems of Accounts, and revises the Commission's Annual Report Forms (1, 1-F, 2, 2-A and 6) to include the new accounts.

The rule, effective 30 days after publication in the Federal Register, is part of the Commission's ongoing effort to address emerging accounting developments within the context of the Uniform Systems of Accounts.